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State scurries to review files in wake of Nazi cover up charges

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The State Department is reviewing files that may bear on allegations of a secret post-war program that smuggled Nazi war criminals and collaborators into the United States, a spokesman said yesterday.

John Loftus, a former federal prosecutor, alleged the resettlement program was undertaken by the State Department contrary to the orders of two presidents and was covered up for more than two decades.

Loftus, in an interview Sunday on CBS' "60 Minutes," said the FBI and the Army participated in the cover-up and lied to Congress about the existence of the program.

In response, Rep. Barney Frank, D-Mass., called yesterday for reopening a 1977 congressional investigation sparked by similar allegations.

Frank said it is "outrageous that our intelligence agencies deliberately withheld information from a congressional subcommittee investigating the smuggling into this country of some of the most vicious criminals in history."

State Department spokesman Alan Rombers said yesterday "we are reviewing our files" for evidence related to the allegations. Pending completion of the review, he said, the department will have no further comment.

However, Rombers insisted the department "cooperated fully" with past investigations by the Justice Department, the General Accounting Office and congressional committees.

"We continue to condemn the Nazi war atrocities," he said. "We are deeply concerned about the presence of Nazi war criminals in this country." The Justice Department said yesterday it has been investigating for 2½

years charges that intelligence agencies helped Nazi war criminals enter this country.

The Justice Department said in a statement its Office of Special Investigations has not found sufficient proof to begin deportation proceedings against anyone yet.

"No agency of the United States government has ever attempted to call OSI off of any investigation," the department added.

The department's Public Integrity Section last year began initial inquiries into charges of an executive branch coverup to prevent Congress from obtaining accurate information about the Nazis, the statement said. "Those efforts are continuing," the department said. "No more can be said about that matter at this time." Loftus said the State Department used the ex-Nazis to bolster its espionage network during the Cold War and at one point in the 1950s, even parachuted a team into the Soviet Union on an assassination mission.

The collaborators, he said, persuaded the State Department "that they could provide the Americans with a secret army behind the Iron Curtain. It was a tragic lie." He explained many were discovered to be double agents.

Loftus, who was assigned to the Justice Department's Office of Special Investigations set up in 1980 to root out Nazi collaborators, said he found "that the files pertaining to the Nazi immigration had been withheld from Congress, from the courts, from the CIA and from the local agents of the Immigration Service."

"We had one unit of the government out trying to prosecute the Nazis and other units of the government trying to secret the information," he told CBS.